



WISCONSIN

**DEPARTMENT OF WORKFORCE DEVELOPMENT**

Division of Economic Support  
Bureau of Welfare Initiatives

**TO: Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
FSET Administrative and Provider Agencies  
Child Care Coordinators  
W-2 Agencies**

**BWI OPERATIONS MEMO**

**No.: 99-15**

**File: 2499**

**Date: 03/01/99**

**Non W-2 [ ] W-2 [x] CC [ ]**

**PRIORITY: Medium**

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**SUBJECT: W-2 DIVERSIONS**

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**CROSS REFERENCE: Wisconsin Works (W-2) Manual, Appendix I (Definition of Diversion)**

**PURPOSE**

This memo provides an updated definition and instructions for agencies to use when tracking W-2 diversions.

**BACKGROUND**

W-2 diversion information is used by the Department, county boards, legislators, and local W-2 agencies' to make financial and workload decisions. Given the emphasis on diversions by so many entities, it is important for workers to track diversions appropriately in CARES.

**REPORTS**

The W-2 Diversion Information Reports (CRP725RA, EOS Form C722 and CRP725RB, EOS Form C723) are produced by CARES to provide monthly and year-to-date diversion information to W-2 agencies. C722 is detailed to the worker level and C723 is summarized to the office level.

These reports detail the reasons for diversion from W-2 employment positions and at what point in the process the diversion was initiated. Diversion reasons are listed in Reference Table TWDP. Two codes on this table (AE, agency error and XW, Not a diversion) are excluded from this report because they are not diversions as described by this policy.

## **DEFINITION**

A diversion occurs when a person who initially requests W-2 decides not to continue in the W-2 application process or fails to complete the application process. A diversion may also occur if, after eligibility is determined:

1. The applicant chooses not to accept a W-2 subsidized employment position; **or**
2. The applicant is placed in the Unsubsidized Employment placement, coded CMS or CMU and then subsequently leaves W-2.

A diversion may not occur once the applicant is placed in a W-2 employment position. However if a W-2 case closes, and the individual reapplies for W-2, s/he may be diverted during the subsequent application(s) for W-2.

The philosophy behind a diversion is to help parents explore alternatives to cash assistance. These alternatives may include non-government resources, general financial planning, information about existing government programs, and assistance with job search.

## **PROCEDURES**

A diversion should be viewed as a potential step in the process of determining eligibility for W-2.

For a diversion to be counted:

1. There must be an expressed request for W-2 (consider a request for AFDC or cash assistance as a request for W-2). The initial request may occur by phone or in person; **and**
2. The applicant, after obtaining information about W-2, withdraws the request for W-2; **or**

The applicant fails to appear for the appointment with the FEP; **or**

The applicant is placed in case management and subsequently leaves W-2.

## **CARES**

There are 3 screens in CARES where a diversion can be tracked.

1. CRAR during Client Registration
2. ACPA during the interactive interview process
3. ACWI at the time of a W-2 placement in Unsubsidized Employment.

### ***Diversion at Client Registration***

1. Complete all Client Registration screens.

The applicant's full name, address, and date of birth must be entered. Although a social security number is preferred, it is not required for completion of Client Registration.

2. When an individual initiates a request for W-2, place an <A> next to the W-2 Employment Position field on CRAR.

If a diversion occurs during client registration, change the <A> to <N>. Once this is entered, complete the W-2 Diversion Reason and Date fields.

- a. When an applicant fails to appear for the meeting with the FEP, enter the diversion fields immediately on CRAR, using diversion reason <WI>, "DID NOT COMPLETE APPLICATION PROCESS".

- b. When an applicant verbally withdraws the request for W-2, enter the appropriate diversion reason from Table TWDP. The diversion may be entered in CARES immediately, however, the actual denial of W-2 does not occur until 30 days have lapsed.
  - 3. If the request for W-2 is by telephone contact, and the W-2 agency chooses to complete client registration by phone, complete a screening for priority Food Stamps.
  - 4. If a filing date is established prior to the diversion, issue a notice of denial.
    - a. If an applicant verbally withdraws the request for all types of assistance, including W-2, before the initial meeting with the FEP, complete the withdrawal field on CRIN. This triggers a denial notice from CARES.
- Note:** If the applicant withdraws the request for W-2, but wants to apply for other types of assistance, the notice of denial will be triggered when the applicant declines W-2 on ACPA.
- b. If an applicant fails to appear for the meeting with the FEP and the Application Entry screens are not completed, a denial notice will be triggered automatically in CARES after 30 days.

**Example 1:** Ronda applies for W-2 and completes CARES Client Registration with the W-2 Resource Specialist. During this meeting, Ronda changes her mind about applying for W-2 and only applies for food stamps and Medicaid. On CRAR, the Resource Specialist immediately changes the W-2 Employment Position field from <A> to <N> and enters the appropriate diversion reason and the date in the diversion fields.

**Example 2:** Fran applies for W-2, completes Client Registration, and schedules an appointment to meet with the FEP. Fran does not show for her scheduled appointment with the FEP. On CRAR, the FEP immediately changes the W-2 Employment Position field from <A> to <N> and enters the diversion reason <W1> and the date in the diversion fields.

### *Diversion at Interactive Interview*

If a diversion occurs during the initial meeting with the FEP or anytime prior to a placement in an employment position or case management, the diversion fields must be completed on screen ACPA. The request for W-2 on ACPA must be changed to <N> to appropriately deny W-2 with a notice.

**Example:** Robert applies for W-2, completes Client Registration, and goes to the initial meeting with the FEP. The FEP completes Application Entry fields in CARES and begins explaining W-2 participation requirements to Robert. Once the participation requirements are explained, Robert decides he does not want to follow through with the application. On ACPA, the FEP changes the request for W-2 from <Y> to <N> and enters the appropriate diversion reason and date in the diversion fields.

### *Diversion Through Placement in Unsubsidized Employment*

An **applicant** who is placed **directly** in Unsubsidized Employment, coded CMS or CMU and subsequently becomes ineligible for W-2 services, must be tracked as a diversion on screen ACWI. The FEP must enter the W-2 End Date to close the Unsubsidized Employment placement and enter the diversion reason and date in the diversion fields on ACWI.

If the applicant who was placed directly in Unsubsidized Employment later requests to end participation, the diversion must be tracked on **both** ACWI and ACPA and the FEP must change the request for W-2 on ACPA from <Y> to <N>. It is important that the request for W-2 is changed to <N> on ACPA **only** when the participant makes that request. This ensures the appropriate W-2 closure notice is issued.

Individuals who are placed in a W-2 T, CSJ, or Trial Job, or who move from one of these positions into unsubsidized employment, must not be tracked as a diversion.

**Example 1:** Mary works at a job 10 hours a week. She applies for W-2, is placed in Unsubsidized Employment and coded CMU. With the help of the W-2 agency, Mary finds a full-time job which puts her over the W-2 income limit.

On ACWI: The FEP must enter the W-2 End Date, the appropriate diversion reason and the date in the diversion fields.

On ACPA: No entries are required. W-2 will close in CARES due to Mary's income exceeding the W-2 income limit.

**Example 2:** Donald applies for W-2, is voluntarily placed in Unsubsidized Employment and coded CMS while he receives help with a job search. Shortly after case management begins, Donald decides he no longer needs W-2 services and asks that his W-2 case be closed.

On ACWI: The FEP must enter the W-2 End Date and the appropriate diversion reason and the date in the diversion fields.

On ACPA: The FEP must change the request for W-2 from <Y> to <N> and enter the appropriate diversion reason and the date in the diversion fields.

**Example 3:** Jean applies for W-2, is voluntarily placed in Unsubsidized Employment and coded CMS to receive help in finding immediate employment. After three weeks of intensive job search, Jean's child is in a car accident and needs home care for a few weeks. Jean has exhausted her savings and needs financial assistance. The FEP agrees to place Jean in W-2 T for a few weeks while she cares for her child. After six weeks, Jean lands a great job and she is moved to CMF for follow-up. Jean requests her W-2 case be closed.

On ACWI: No Diversion is entered for this episode of W-2.

On ACPA: The FEP changes the <Y> to <N> and enters the diversion reason <XW>, "NOT A W2 DIVERSION".